

Panama Report by Carlos Wesley

Sell the economy to pay the debt

Did the U.S. invasion really make Panama safe for the Nazi economics of the new world order?

Panama's Second Vice President Guillermo "Billy" Ford, announced a new economic plan on May 16. The plan would:

- Destroy production for local consumption; the only industrial production to be allowed is that intended for export. This will be carried out in "special economic zones" to be set up for *maquiladora*-style assembly plants under foreign ownership. There, the norm will be the Auschwitz-like conditions on the U.S.-Mexican border, under Bush's North American Free Trade Agreement. The right to collective bargaining will be suspended, and businesses will be "granted three years of operations without being required to negotiate" a labor contract, said Ford, who is also minister of planning and finance.

Negotiations are under way to set up one of these foreign enclaves, on six square miles of land in Farfán, on the Pacific entrance of the Panama Canal, which the U.S.-installed government will cede to the Ganun Group of Taiwan, according to *El Panamá América*.

While officials bend over backward to meet these colonialist demands, everything possible is being done to ensure no one can produce even a match-stick for local use. The plan announced by Ford, a banker tied to drug money-laundering enterprises, demand slapping a 3% tax on "the importation of equipment and capital goods for the industrial sector," a first for Panama.

Also, "The government, with technical assistance from the World

Bank, will draft an agricultural liberalization program," Ford said. This will mean the "disappearance of the country's farmers," said José Calderón, head of an agricultural cooperative.

- Lower taxes for the rich by 15% and increase taxes on those least able to pay, by creating a 10% "luxury tax" on all services, including your local fast-food meal for the family.

- "Eliminate early retirement," raise the retirement age by 5 to 10 years, increase Social Security taxes, and reduce pension and survivors' benefits.

- Slash the number of government employees and cut the wages of those remaining by at least 10%.

- "Privatize state enterprises." The Port of Balboa, on the Pacific entrance of the Panama Canal, will be handed to foreign concessionaires, according to *El Panamá América*. So too with Cristóbal, on the Caribbean, and 10 other state-owned enterprises, including the Colón Free Zone, and the electric, water, and telephone companies. All are being "privatized" to comply with demands made by the World Bank.

The aim is not to make the companies more efficient, although that's the line being put out for public consumption. For example, the state-owned telephone company, Intel, established by the previous military governments, operates one of the best telephone systems in the Third World, if not the whole world. The only thing privatization will accomplish, is what happened to the U.S. telephone system following "deregulation": Service de-

teriorated and prices went up.

The "goal of privatization is to reduce the nation's debt, by the revenues generated by the state, through the sale of state-owned property," according to a report issued by Panama's Comptroller General Rubén Darío Carles.

In fact, all of the measures of the plan are aimed at servicing Panama's \$6 billion debt. Privatization will also speed up the process of colonizing the country, which started with the 1989 U.S. invasion. As one businessman told the May 17 London *Financial Times* regarding the privatization of Mexico's telephone company, "Buying a country's telephone company is as close a proxy to buying its economy as possible."

There is nothing "new" in the plan announced by Ford; it is a rehash of the flea market nostrums that former World Bank official Nicolás Ardito Barletta tried to impose while he was President of Panama. Barletta was forced to resign by popular demand in 1985, after Panamanians rejected his schemes to collect debt on behalf of his foreign patrons. Then, Gen. Manuel Noriega refused to use the Army against the people on Barletta's behalf, crossing the establishment and initiating the process that led to the invasion.

Now, having taught Noriega and the Panamanians a bloody lesson, and with his Army in control of Panama, Bush is ready to try again. But not everyone is sure the U.S. will be more successful this time.

One doubter is First Vice President Ricardo Arias Calderón. Arias, according to U.S.-installed President Guillermo Endara, initially backed the program, but now he is against it. Many think the opportunist Arias believes Endara will go the way of Barletta, leaving the presidency for Arias.